REMARKS

In the patent application, claims 1-20 are pending. In the office action, claims 1-14, 19 and 20 are rejected, and claims 15-18 are objected to but would be allowable if rewritten in independent form.

At section 2 of the office action, claims 1-3, 5, 7 and 9 are rejected under 35 U.S.C. 102(b) as being clearly anticipated by *Eppenstein et al.* (U.S. Patent No. 2,170,967, hereafter referred to as *Eppenstein*). *Eppenstein* discloses a projection microscope operable in two modes, wherein the projected image can be formed on a screen 18 via a single reflection surface 16 in a first mode, and formed on a screen 27 via two reflection surfaces 16 and 25 in a second mode.

Applicant has amended claim 1 to include the limitation that the portable device is an electronic device and that at least one of the display modes is used to form a virtual image. The display modes that are used to form a virtual image are the NED and the WMD mode. The support can be found in Figure 3 and Figure 5, and the description on p.6, second paragraph and last paragraph. No new matter has been introduced.

It is respectfully submitted that the cited *Eppenstein* reference discloses an optical microscope, which is not related to a portable electronic device as claimed. Furthermore, *Eppenstein* does not disclose or even suggest that at least one of the display modes is used to form a virtual image.

For the above reasons, it is respectfully submitted that claim 1 is clearly distinguishable over the cited *Eppenstein* reference.

As for claims 2, 3, 5, 7 and 9, they are dependent from claim 1 and recite features not recited in claim 1. For reasons regarding claim 1 above, it is respectfully submitted that claims 2, 3, 5, 7 and 9 are also distinguishable over the cited *Eppenstein* reference.

At section 3, claims 1-11, 13 are rejected under 35 U.S.C. 102(b) as being anticipated by *Tanaka et al.* (U.S. Patent No. 5,461,437, hereafter referred to as *Tanaka*). *Tanaka* discloses a LCD projector, which can be used to project an image on a small screen at a small distance or a large screen at a large distance.

Applicant has cancelled claim 8.

It is respectfully submitted that, *Tanaka* does not disclose or even suggest that at least one of the display modes is used to form a virtual image, as claimed in claim 1. For this reason alone, claim 1 is distinguishable over the cited *Tanaka* reference.

As for claims 2-7, 9-11 and 13, they are dependent from claim 1 and recite features not recited in claim 1. For reasons regarding claim 1 above, it is respectfully submitted that claims 2-7, 9-11 and 13 are also distinguishable over the cited *Tanaka* reference.

At section 4, claims 12, 14, 19 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over *Tanaka*, in view of Official Notice.

It is respectfully submitted that claims 12, 14, 19 and 20 are dependent from claim 1 and recite features not recited in claim 1. For reasons regarding claim 1 above, it is respectfully submitted that claims 12, 14, 19 and 20 are also distinguishable over the cited *Tanaka* reference.

Applicant has added a new claim 21, which is dependent from claim 6 and claims that when the portable device is used for projecting an image on a screen at a large distance, an external light source is used for image formation. The support of the amendment can be found in Figure 6 and description on p.7, second paragraph. No new matter has been introduced.

CONCLUSION

Claims 15-18 are objected to but would be allowable if rewritten in independent form. As amended, claims 1-7, 9-14 and 19-20 are allowable. New claim 21 is dependent from an allowable claim, and therefor allowable. Early allowance of claims 1-7, 9-14 and 19-21 is earnestly submitted.

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